

sec news digest

Issue 95-108

June 6, 1995

ENFORCEMENT PROCEEDINGS

CEASE AND DESIST ORDER ENTERED AGAINST JOHN KUHNS

The Commission announced the issuance of an Order pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) against John D. Kuhns (Kuhns), requiring Kuhns to cease and desist from committing or causing any violation of, or any future violation of, Sections 13(d) and 16(a) of the Exchange Act, and Rules 13d-1, 13d-2, 16a-2 and 16a-3 promulgated thereunder. Kuhns, without admitting or denying the allegations in the Commission's Order, consented to its entry. Kuhns is the Chairman of the Board of Directors of The New World Power Corporation (New World) and beneficially owns more than five percent of New World's common stock. Kuhns is also a director of Photocomm, Inc. (Photocomm). The Order finds that Kuhns failed for more than three years and six months to file a Schedule 13D for his acquisition of more than five percent of New World's common stock, and failed for periods ranging from more than one year and one month to more than three years and one month to file four amendments to his Schedule 13D. The Order finds Kuhns failed for more than two years and nine months to file a Form 3 for his holdings of New World, and failed for periods ranging from three weeks to two years and three months to file thirteen Forms 4. The Order finds Kuhns filed late a Form 5 for the 1992 year, and has failed to file Forms 5 for the years 1991 and 1993. The combined value of Kuhns' late New World Stock transactions reported on Form 4 is more than \$3 million. The Order finds Kuhns filed his Form 3 for Photocomm three months late on February 22, 1994. (Rel. 34-35794)

KEMPER FINANCIAL SERVICES, INC.; KEMPER INVESTORS LIFE INSURANCE COMPANY;
KEMPER FINANCIAL SERVICES PROFIT SHARING PLAN; KENNETH URBASZEWSKI; AND
WILLIAM BUECKING SETTLE ADMINISTRATIVE PROCEEDING

The Commission accepted offers of settlement and issued an Order Making Findings and Imposing Remedial Sanctions on Kemper Financial Services, Inc., Kemper Investors Life Insurance Company, Kemper Financial Services Profit Sharing Plan, Kenneth Urbaszewski, and William Buecking, respondents in administrative proceedings instituted on March 2, 1995 (Investment Advisers Act of 1940, Rel. No. 1476; Investment Company Act of 1940, Rel. No. 20936). The respondents consented to the Order without admitting or denying the Commission's findings.

The Order orders Kemper, KILICO, PSP and Urbaszewski to cease and desist from violations of certain provisions of the Investment Advisers Act of 1940 and the Investment Company Act of 1940 and censures Kemper, KILICO and PSP. The Order also bars Urbaszewski from association with any broker, dealer, municipal securities dealer, investment adviser or investment company, provided that after one year he may apply to the appropriate self-regulatory agency or if there is none, to the Commission. Buecking is barred from association in a supervisory capacity with any broker, dealer, municipal securities dealer, investment adviser or investment company, provided that after one year he may apply to the appropriate self-regulatory agency or if there is none, to the Commission. The Order also dismisses Stephen B. Timbers from the proceedings. (Rels. IA-1494; IC-21113)

ADMINISTRATIVE PROCEEDINGS INSTITUTED AS TO THOMAS RICHARDS

The Commission has instituted and simultaneously settled public administrative proceedings as to Thomas H. Richards, formerly a portfolio manager at Kemper Financial Services, Inc., finding that Richards willfully violated or caused violations of Section 206(2) of the Investment Advisers Act of 1940, Sections 17(a)(1) and (2), 17(d) and 31(a) of the Investment Company Act of 1940, and Rules 17d-1 and 31a-1(b)(6) thereunder. The Commission ordered that Richards cease and desist from committing or causing the above-referenced violations, and that he be barred from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer for a period of five years. Richards consented to the order, without admitting or denying the findings therein.

The Commission Order finds that during 1987 Richards acted as portfolio manager for two Kemper Financial-managed public mutual funds, and for a portion of the Kemper Financial Employee Profit-Sharing Plan. Richards frequently delayed reporting or designating the accounts for which Standard & Poor's 500 Stock Index Futures (S&P 500s) trades were being conducted until after the trades were effected. As a result, S&P 500 positions with more favorable execution prices relative to the then-current market price were frequently assigned to the profit-sharing plan. (Rels. IA-1495; IC 21114)

ADMINISTRATIVE AND CEASE AND DESIST PROCEEDINGS INSTITUTED AGAINST KEMPER CORPORATION AND WILLIAM BUECKING

The Commission announced that on June 6 it instituted public administrative proceedings pursuant to Section 21C of the Securities Exchange Act of 1934 (Exchange Act) as to Kemper Corporation (Kemper) and William R. Buecking (Buecking). These proceedings were related to, among other things, Kemper's failure to disclose material information concerning its real estate investments in connection with quarterly reports on Forms 10-Q for the first, second and third quarters of 1990, an annual report on Form 10-K for 1990, and quarterly reports on Form 10-Q for the first and second quarters of 1991 (collectively, Periodic Reports).

Kemper failed to disclose in the Management's Discussion and Analysis sections and elsewhere in the Periodic Reports certain material negative information relating to its approximately \$2.5 billion portfolio of real estate investments. Kemper also failed to disclose and analyze the risks associated with its relationship with a California real estate developer. Further, Kemper failed to establish sufficient internal accounting controls to identify and monitor the substantial unsecured lending activities of certain real estate related joint ventures and other affiliates in which it shared ownership with the California real estate developer. Buecking, as the person with direct responsibility for Kemper's real estate portfolio, caused certain of Kemper's disclosure violations because he failed to ensure that certain material information relating to Kemper's real estate investments was available for inclusion in the Periodic Reports.

Kemper and Buecking, without admitting or denying the findings set forth therein, consented to the issuance of an Order Instituting Proceedings, Making Findings, and Ordering Respondents to Cease and Desist (Order). In the Order the Commission found that Kemper violated Sections 13(a) and 13(b)(2)(B) of the Exchange Act and Rules 13a-1, 13a-13 and 12b-20 promulgated thereunder, and that Buecking caused certain of Kemper's violations. (Rel. 34-35814)

CIVIL ACTION AGAINST BRIAN WALSH AND MICHAEL MCGILL

The Commission announced the filing of a civil injunctive action against Brian Walsh and Michael McGill in the U.S. District Court for the Central District of California, alleging that Walsh and McGill violated Section 17(a) of the Securities Act, Section 10(b) of the Securities Exchange Act, and Rule 10b-5 thereunder. Simultaneously with the filing of the complaint, Walsh and McGill consented to the entry of a Final Judgment of Permanent Injunction against violations of those provisions. The Court has the Final Judgment under its consideration.

The complaint alleges that Walsh and McGill sold securities in the form of investment contracts in Third Mobile, Ltd., a specialized mobile radio communications offering promoted by Express Communications, Inc. According to the complaint, Walsh and McGill falsely represented that selling commissions would not exceed 8% of the cost of the interests being sold. In reality, they knew that commissions of 38% were being paid, along with additional marketing costs. [SEC v. Brian Walsh and Michael McGill, Civil Action No. 95-3698, RSWL, C.D. Cal.] (LR-14523)

INVESTMENT COMPANY ACT RELEASES

IMG MUTUAL FUNDS, INC., ET AL.

A notice has been issued giving interested persons until June 27 to request a hearing on an application filed by IMG Mutual Funds, Inc., et al. for an order under Section 17(b) of the Investment Company Act exempting applicants from Section 17(a). Applicants seek relief to permit the exchange of shares of IMG Mutual Funds, Inc. for portfolio securities of two private investment trusts (Trusts) that are not registered under the Act. After the exchanges, the Trusts will dissolve and distribute the shares they received pro rata to their participants. (Rel. IC-21110 - June 2)

HOLDING COMPANY ACT RELEASES

GRANITE STATE ELECTRIC COMPANY

An order has been issued authorizing Granite State Electric Company, an electric utility subsidiary company of New England Electric System, a registered holding company, to issue and sell, on or before December 31, 1995, one or more long-term notes in an aggregate principal amount not to exceed \$5 million. (Rel. 35-26299)

CONSOLIDATED NATURAL GAS, INC., ET AL.

A notice has been issued giving interested persons until June 26 to request a hearing on a proposal by Consolidated Natural Gas Company (CNG), a registered holding company, and its wholly owned subsidiary companies, CNG Research Company, Consolidated Natural Gas Service Company, Inc., CNG Coal Company, CNG Producing Company, CNG Pipeline Company, CNG Transmission Corporation, CNG Storage Service Company, CNG Energy Services Corporation, The Peoples Natural Gas Company, The East Ohio Gas Company, Virginia Natural Gas, Inc., Hope Gas, Inc., and West Ohio Gas Company (collectively, Subsidiaries). CNG proposes from time to time through June 30, 1996 to issue and sell commercial paper and/or short term notes in amounts not to exceed \$1.25 billion. Additionally, CNG proposes to finance the Subsidiaries with up to \$1.225 billion through June 30, 1996. (Rel. 35-26300)

NEW ENGLAND ELECTRIC SYSTEM

A supplemental order has been issued authorizing New England Electric System, a registered holding company, to issue and sell up to 458,637 shares of its authorized but unissued or its issued and reacquired common shares to the New England Electric Companies' Incentive Share Plan, through December 31, 1997. (Rel. 35-26301)

SELF-REGULATORY ORGANIZATIONS

PROPOSED RULE CHANGES

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-95-23) to amend Section 1(a) to Schedule A of the NASD By-Laws to require all member firms to report gross revenue on a calendar year basis and to delete portions of the section that are no longer applicable and to amend Section 2 to Schedule A of the NASD By-Laws by adding a new provision to assess a \$75.00 session fee against each individual required to complete the regulatory element of the continuing education program. (Rel. 34-35795)

The American Stock Exchange filed a proposed rule change (SR-Amex-95-15) relating to the solicitation of options transactions. Publication of the notice is expected in the Federal Register during the week of June 5. (Rel. 34-35797)

The National Association of Securities Dealers filed a proposed rule change (SR-NASD-95-12) that would amend Article III, Section 35 of the NASD Rules of Fair Practice, and Section 8 of the Government Securities Rules, relating to advertising and sales literature filing and review requirements. (Rel. 34-35801)

The American Stock Exchange filed a proposed rule change (SR-AMEX-95-20) relating to the listing and trading of indexed term notes. Publication of the notice is expected in the Federal Register during the week of June 5. (Rel. 34-35802)

IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the New York Stock Exchange to increase the annual maintenance fee for registered persons (SR-NYSE-95-20) has become effective upon filing with the Commission. Publication of the proposal is expected in the Federal Register during the week of June 5. (Rel. 34-35796)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission granted accelerated approval to a proposed rule change filed by the Boston Stock Exchange (SR-BSE-95-10) to adopt procedures for the handling of market-on-close orders. (Rel. 34-35800)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

- S-8 COMSAT CORP, 6560 ROCK SPRING DR, BETHESDA, MD 20817 (301) 213-3000 - 5,000,000 (\$98,750,000) COMMON STOCK. (FILE 33-59531 - MAY. 23) (BR. 7)
- S-3 ATLANTA GAS LIGHT CO, 303 PEACHTREE ST NE, ONE PEACHTREE CENTER, ATLANTA, GA 30308 (404) 584-4000 - 1,495,000 (\$51,016,875) COMMON STOCK. (FILE 33-59533 - MAY. 23) (BR. 7)
- S-8 USF&G CORP, 100 LIGHT ST, BALTIMORE, MD 21202 (410) 547-3000 - 40,000 (\$652,400) COMMON STOCK. (FILE 33-59535 - MAY. 23) (BR. 10)
- S-6 DEFINED ASSET FUNDS MUNICIPAL INVT TR FD MULTISTATE SER 92, C/O DAVIS POLK & WARDWELL, 450 LEXINGTON AVE, NEW YORK, NY 10017 - INDEFINITE SHARES. (FILE 33-59537 - MAY. 23) (BR. 22 - NEW ISSUE)
- S-8 CHEMICAL BANKING CORP, 270 PARK AVE, NEW YORK, NY 10017 (212) 270-6000 - 5,000,000 (\$222,812,500) COMMON STOCK. (FILE 33-59543 - MAY. 23) (BR. 2)
- S-8 BALTIMORE GAS & ELECTRIC CO, GAS & ELECTRIC BLDG, CHARLES CTR, BALTIMORE, MD 21201 (410) 783-5920 - 3,000,000 (\$72,750,000) COMMON STOCK. (FILE 33-59545 - MAY. 23) (BR. 7)
- S-8 REXON INC, 1334 PARKVIEW AVE, MANHATTAN BEACH, CA 90266 (310) 545-4441 - 185,000 (\$839,817) COMMON STOCK. (FILE 33-59547 - MAY. 23) (BR. 10)
- S-8 REXON INC, 1334 PARKVIEW AVE, MANHATTAN BEACH, CA 90266 (310) 545-4441 - 1,280,500 (\$3,533,770) COMMON STOCK. (FILE 33-59549 - MAY. 23) (BR. 10)
- S-8 FRUIT OF THE LOOM INC /DE/, 5000 SEARS TWR, 233 S WACKER DR, CHICAGO, IL 60606 (312) 876-1724 - 900,000 (\$26,323,525) COMMON STOCK. (FILE 33-59551 - MAY. 23) (BR. 8)
- S-8 POLICY MANAGEMENT SYSTEMS CORP, ONE PMS CTR, PO BOX TEN, COLUMBIA, SC 29202 (803) 735-4000 - 250,000 (\$12,031,250) COMMON STOCK. (FILE 33-59553 - MAY. 23) (BR. 9)

REGISTRATIONS CONT.

- S-8 POLICY MANAGEMENT SYSTEMS CORP, ONE PMS CTR, PO BOX TEN, COLUMBIA, SC 29202 (803) 735-4000 - 400,000 (\$19,250,000) COMMON STOCK. (FILE 33-59555 - MAY. 23) (BR. 9)
- S-8 DEVCON INTERNATIONAL CORP, 1350 E NEWPORT CENTER DR, STE 201, DEERFIELD BEACH, FL 33443 (305) 429-1500 - 400,000 (\$3,241,000) COMMON STOCK. (FILE 33-59557 - MAY. 23) (BR. 9)
- S-3 COUNTRYWIDE CREDIT INDUSTRIES INC, 155 NORTH LAKE AVE, PASADENA, CA 91101 (818) 304-8400 (FILE 33-59559 - MAY. 23) (BR. 12)
- S-4 HORIZON HEALTHCARE CORP, 6001 INDIAN SCHOOL RD NE STE 530, ALBUQUERQUE, NM 87110 (505) 881-4961 - 23,356,067 (\$400,322,989) COMMON STOCK. (FILE 33-59561 - MAY. 23) (BR. 5)
- F-6 CHINA OVERSEAS LAND & INVESTMENT LTD /ADR, 111 WALL ST, NEW YORK, NY 10043 - 10,000,000 (\$500,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-92028 - MAY. 08) (BR. 99 - NEW ISSUE)
- S-3 STATION CASINOS INC, 2411 WEST SAHARA AVE, LAS VEGAS, NV 89102 (702) 367-2411 - 4,600,000 (\$57,776,000) COMMON STOCK. (FILE 33-92276 - MAY. 22) (BR. 12)
- S-8 BRODERBUND SOFTWARE INC /DE/, 500 REDWOOD BLVD, NOVATO, CA 94948 (415) 382-4400 - 42,061 (\$547,550.94) COMMON STOCK. (FILE 33-92278 - MAY. 22) (BR. 10)
- S-8 DESTEC ENERGY INC, 2500 CITYWEST BLVD STE 150, HOUSTON, TX 77042 (713) 735-4000 - 500,000 (\$5,125,000) COMMON STOCK. (FILE 33-92280 - MAY. 22) (BR. 7)
- S-8 COMPUTERVISION CORP /DE/, 100 CROSBY DRIVE, BEDFORD, MA 01730 (617) 275-1800 - 1,000,000 (\$5,870,000) COMMON STOCK. (FILE 33-92282 - MAY. 22) (BR. 10)
- S-8 CHART INDUSTRIES INC, 35555 CURTIS BLVD, EASTLAKE, OH 44095 (216) 946-2525 - 70,000 (\$341,250) COMMON STOCK. (FILE 33-92340 - MAY. 15) (BR. 10)
- S-8 INSIGNIA SYSTEMS INC/MN, 10801 RED CIRCLE DRIVE, MINNETONKA, MN 55343 (612) 930-8200 - 100,000 (\$150,000) COMMON STOCK. (FILE 33-92376 - MAY. 16) (BR. 11)
- S-1 GULF STATES STEEL ACQUISITION CORP, 174 SOUTH 26TH ST, GADSDEN, AL 35904 (205) 543-6100 - 190,000,000 (\$190,000,000) MORTGAGE BONDS. (FILE 33-92496 - MAY. 19) (BR. 6 - NEW ISSUE)
- SB-2 USABANCSHARES INC, ONE PENN SQUARE, 30 SOUTH 15TH ST, PHILADELPHIA, PA 19102 (215) 596-4200 - 1,000,000 (\$10,000,000) COMMON STOCK. UNDERWRITER: POTOMAC SECURITIES INC. (FILE 33-92506 - MAY. 19) (BR. 2 - NEW ISSUE)
- S-1 INSTENT INC, 6271 BURY DR, EDEB PRAIRIE, MN 55346 (612) 937-0322 - 2,500,000 (\$37,375,000) COMMON STOCK. UNDERWRITER: DILLON READ & CO INC, UBS SECURITIES INC, VOLPE WELTY & COMPANY. (FILE 33-92516 - MAY. 19) (BR. 8 - NEW ISSUE)
- S-8 XCELLENET INC /GA/, 5 CONCOURSE PKWY STE 200, ATLANTA, GA 30328 (404) 804-8100 - 300,000 (\$6,975,000) COMMON STOCK. (FILE 33-92536 - MAY. 19) (BR. 10)

REGISTRATIONS CONT.

- S-8 XCELLENET INC /GA/, 5 CONCOURSE PKWY STE 200, ATLANTA, GA 30328
(404) 804-8100 - 300,000 (\$4,705,000) COMMON STOCK. (FILE 33-92538 -
MAY. 22) (BR. 10)
- N-1A FARRELL ALPHA STRATEGIES, 780 THIRD AVE, 38TH FL, NEW YORK, NY 10017
(212) 319-3944 - INDEFINITE SHARES. (FILE 33-92540 - MAY. 19) (BR. 18
- NEW ISSUE)
- S-4 MEDPARTNERS INC, 3000 GALLERIA TOWER, STE 1000, BIRMINGHAM, AL 35244
(205) 733-8996 - 542,000 (\$1,156,500) COMMON STOCK. (FILE 33-92542 -
MAY. 22) (BR. 5)
- S-8 VITAFORT INTERNATIONAL CORP, 1800 AVE OF THE STARS STE 1114,
LOS ANGELES, CA 90067 (310) 552-6393 - 390,500 (\$121,870.64) COMMON STOCK.
(FILE 33-92546 - MAY. 22) (BR. 11)
- S-3 ATMEL CORP, 2125 O NEL DR, SAN JOSE, CA 95131 (408) 441-0311 -
2,300,000 (\$106,950,000) COMMON STOCK. (FILE 33-92558 - MAY. 23) (BR. 3)
- S-8 LAKELAND INDUSTRIES INC, 711-2 KOEHLER AVENUE, RONKONKOMA, NY 11779
(516) 981-9700 - 460,000 (\$2,447,200) COMMON STOCK. (FILE 33-92564 -
MAY. 22) (BR. 8)
- S-3 APS HOLDING CORPORATION, 15710 JOHN F KENNEDY BLVD,
WORLD HOUSTON PLZ STE 700, HOUSTON, TX 77032 (713) 741-2470 - 301,176
(\$7,717,635) COMMON STOCK. (FILE 33-92566 - MAY. 23) (BR. 4)
- S-1 HOULIHANS RESTAURANT GROUP INC, 2 BRUSH CREEK BOULEVARD, KANSAS CITY, MO
64112 (816) 756-2200 - 125,000,000 (\$125,000,000) STRAIGHT BONDS. (FILE
33-92570 - MAY. 23) (BR. 12)
- S-8 OCCUSYSTEMS INC, 3010 LBJ FREEWAY, STE 400, DALLAS, TX 75234
(214) 484-2700 - 2,766,500 (\$49,797,000) COMMON STOCK. (FILE 33-92290 -
MAY. 26) (BR. 5)
- S-4 DOMINICKS FINER FOODS INC /DE/, 505 RAILROAD AVE, NORTHLAKE, IL 60164
(708) 562-1000 - 200,000,000 (\$200,000,000) STRAIGHT BONDS. (FILE
33-92700 - MAY. 25) (BR. 2 - NEW ISSUE)
- S-1 MINIMED INC, 12744 SAN FERNANDO RD, SYLMAR, CA 91342 (818) 362-5958 -
3,737,500 (\$52,325,000) COMMON STOCK. UNDERWRITER: DILLON READ & CO INC,
SMITH BARNEY INC, UBS SECURITIES INC. (FILE 33-92710 - MAY. 25) (BR. 8
- NEW ISSUE)
- S-8 DCI TELECOMMUNICATIONS INC, 303 LINWOOD AVE, FAIRFIELD, CT 06430
(203) 259-7713 - 440,000 (\$4,400) COMMON STOCK. (FILE 33-92720 - MAY. 25)
(BR. 7)
- S-8 SKY SCIENTIFIC INC, 1515 N FEDERAL HWY STE 310, BOCA RATON, FL 33432
(407) 362-9494 - 97,173 (\$44,700) COMMON STOCK. (FILE 33-92722 - MAY. 26)
(BR. 1)
- S-8 LOUIS DREYFUS NATURAL GAS CORP, 14000 QUAIL SPRINGS PKWY, STE 600,
OKLAHOMA CITY, OK 73134 (405) 749-1300 - 1,000,000 (\$16,301,640)
COMMON STOCK. (FILE 33-92724 - MAY. 29) (BR. 3)
- S-1 DOUBLETREE CORP, 410 N 44TH ST, STE 700, PHOENIX, AR 85008
(602) 220-6666 - 4,600,000 (\$92,276,000) COMMON STOCK. (FILE 33-92726 -
MAY. 25) (BR. 12)